

1050 CONNECTICUT AVENUE, N.W.  
TENTH FLOOR  
WASHINGTON, D.C. 20036  

---

 (202) 772-1981 FACSIMILE (202) 318-4257  
johnelogan@msn.com

JOHN E. LOGAN PLLC  
ATTORNEY AT LAW

April 14, 2009

*Via Electronic Filing*

Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 Twelfth Street, S.W.  
Washington, DC 20554

Re: WC Docket No. 05-337; CC Docket No. 80-286  
*Ex Parte* Notice

Dear Ms. Dortch:

On April 13, 2009, Lyman Horne of Star Telephone Membership Corporation, Dan Lindgren of Ketchikan Public Utilities (by telephone), and Cheryl Parrino and John Logan, on behalf of the Coalition for Equity in Switching Support, (collectively, "Coalition"), met with Jennifer McKee, Theodore Burmeister, Katie King, Alexander Minard, and Gary Seigel, all of the Wireline Competition Bureau, to discuss the Petition for Clarification filed by the Coalition for Equity in Switching Support.<sup>1</sup> The attached slides were distributed during the course of that meeting.

The Coalition's representatives emphasized that the Dial Equipment Minute ("DEM") weighting rule contained in section 36.125(j) of the Commission's rules was adopted by the Commission as an exception to its overall freeze on the allocation of costs between the interstate and intrastate jurisdictions implemented by the FCC several years ago.<sup>2</sup> This exception to the separations freeze was made so that local switching support ("LSS") would continue to be based on a carrier's current line count, not its historic line count. Accordingly, if a carrier's number of access lines increased above a threshold number, it should result in the application of a smaller DEM weighting factor and correspondingly decreased LSS assistance. Conversely, if a carrier's number of access lines fell below a threshold number, it should result in the application of a larger DEM weighting factor and correspondingly increased LSS assistance. The Coalition's

---

<sup>1</sup> *Jurisdictional Separations and Referral to the Federal-State Joint Board; Federal-State Joint Board on Universal Service; High-Cost Universal Service Support*, CC Docket Nos. 80-286 and 96-45, WC Docket No. 05-337, Petition for Clarification (filed Jan. 8, 2009) ("Petition").

<sup>2</sup> 47 C.F.R. § 36.125(j).

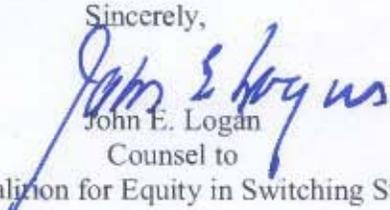
Marlene H. Dortch  
April 14, 2009  
Page 2 of 2

representatives again noted that because the rule explicitly addressed only an increase in access lines and not a decrease in access lines, however, it is now being applied in a manner at odds with its original purpose: small incumbent carriers' local switching support is being based on their historic line counts, not their actual current line counts.

The Commission did not change the June 30, 2006 expiration date in section 36.125(j) of its rules when it extended the separations freeze until June 30, 2009. Therefore, the Coalition's representatives urged the Commission to clarify that, in accordance with the usual DEM weighting rule, incumbent carriers whose line count fell below an applicable threshold before June 2009 are entitled to LSS assistance based on their actual line count. On a prospective basis, the June 30, 2009 deadline for extending the separations freeze provides an opportunity to correct the inequity now that the Commission knows that many small incumbent LECs' access lines are decreasing. Accordingly, if the separations freeze is extended beyond June 30, 2009, the Commission should modify section 36.125(j) of its rules to specify that LSS support will be calculated on the basis of a carrier's actual line count during the relevant reporting period so as not to provide a windfall or a penalty to carriers with changing numbers of access lines. This change would not preclude future comprehensive separations or universal service reform. Moreover, the rule change would have only a *de minimis* impact on the size of the High-Cost Fund, but would greatly improve the ability of the affected companies to continue providing quality local telephone service to their customers.

Pursuant to the Commission's rules, this letter is being submitted for inclusion in the public record in the above-referenced proceedings.

Sincerely,



John E. Logan

Counsel to

The Coalition for Equity in Switching Support

cc: Jennifer McKee  
Theodore Burmeister  
Katie King  
Alexander Minard  
Gary Seigel

Attachment